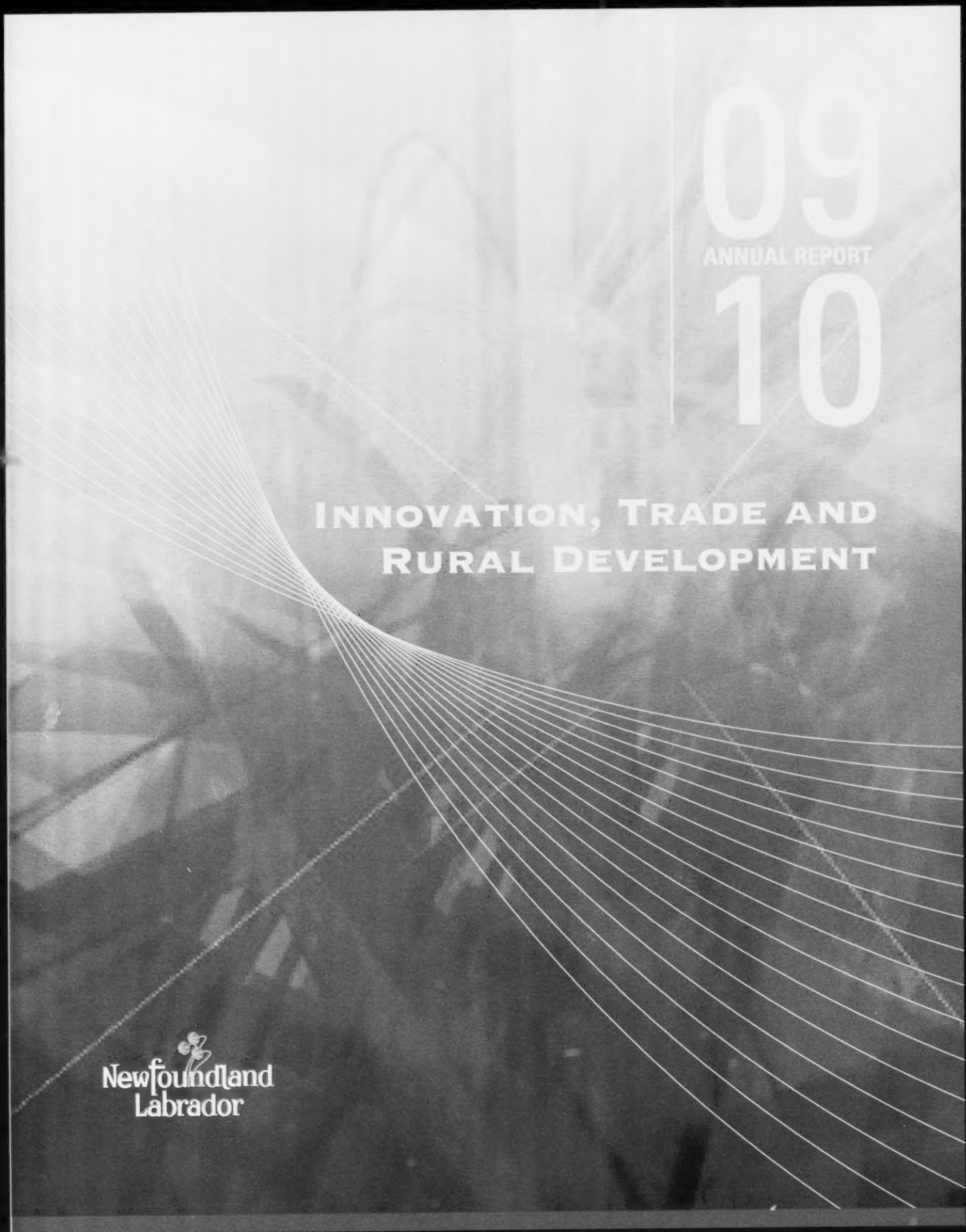

09
ANNUAL REPORT
10
INNOVATION, TRADE AND
RURAL DEVELOPMENT
Newfoundland
Labrador

TO OBTAIN A COPY OF THIS REPORT:

Electronic

Website: http://www.intrd.gov.nl.ca/intrd/publications.htm

Paper

Department of Innovation, Trade and Rural Development
P.O. Box 8700, Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6

Telephone: (709) 729-7000
Toll Free: 1-800-563-2299 Facsimile: (709) 729-0654

TABLE OF CONTENTS

MINISTER'S MESSAGE 2

THE DEPARTMENT AT A GLANCE 4
- Vision 4
- Mission 4
- Mandate 4
- Lines of Business 5
- Legislation 5
- Organizational Landscape 5
- Investment Portfolio 6
- Corporations and Boards 7
- INTRD Partnerships 7

SHARED COMMITMENTS 9

TAKING ACTION ON STRATEGIC DIRECTION 9
- Regional Diversification and Industry Growth 10
- Innovation 11
- SME Business Supports 13
- Business Promotion, Trade and Export Development 14
- Business, Industry and Economic Intelligence 15

TAKING ACTION ON PRIORITY ISSUES 16
- **Competitiveness** 17
  - Objective, Measure and Indicators for 2009-2010 18
  - Progress and Accomplishments 19
  - Objective, Measures and Indicators for next fiscal year 23
- **Capacity Building** 24
  - Objective, Measure and Indicators for 2009-2010 25
  - Progress and Accomplishments 25
  - Objective, Measures and Indicators for next fiscal year 29
- **Strong Regions** 30
  - Objective, Measure and Indicators for 2009-2010 31
  - Progress and Accomplishments 31
  - Objective, Measures and Indicators for next fiscal year 32

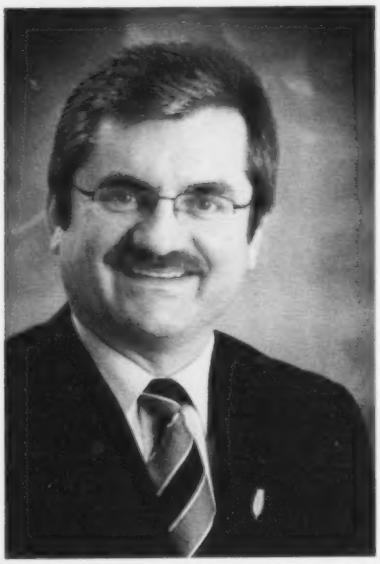
ACCOMPLISHMENTS 32

CHALLENGES AND OPPORTUNITIES 39

APPENDIX A: Financial Performance 42
APPENDIX B: Contact Information 43
APPENDIX C: Acronyms 44

MINISTER'S MESSAGE

As the Minister responsible for the Department of Innovation, Trade and Rural Development, I am pleased to submit the Annual Performance report for the 2009-10 fiscal year. It is submitted in accordance with the department's obligation as a Category 1 entity under the Transparency and Accountability Act. It was prepared under my direction and I am accountable for the results reported herein.



As a department, we view innovation, quality infrastructure, strong private sector engagement, and a highly-skilled workforce as being key pillars in building vibrant, competitive regions. By taking these steps we are enabling Newfoundlanders and Labradorians and local businesses to compete head-to-head with anyone and in any market across the globe.

In support of these pillars, the department is implementing an integrated suite of programming that helps launch companies, commercialize products, build export capacity, and strengthen workforces. Achieving ultimate success is not done overnight. However, signs across the province are clear that it is an approach that is increasingly successful.

Traditional industries are becoming more innovative and reaching international markets. Knowledge-based industries such as ocean technology, life sciences, and information and communications technologies are securing global recognition and leading to new opportunities in the province.

Within the province's regions positive trends are emerging. Its south coast is a leader in aquaculture; its eastern region has become a hub for cultural tourism; and its northern region has massive energy potential. The province's central region is emerging as a hub for health and social sciences and the western region is diversifying the resource based industries.

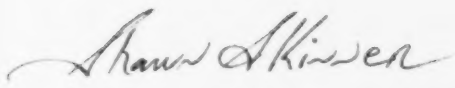
The department also views the concept of coming together and working towards a common interest with its local partners as holding many benefits. The need for collaboration and partnership to respond to industry downturn and support diversification like the Task Force in response to the closure of AbitibiBowater mill is an example of solid community and government participation to support

meaningful economic activity. The department has a variety of programs such as the Community Capacity Building Program, Business Retention and Expansion as well as Business Networks Programs to encourage greater levels of collaboration.

The Capacity Building program for example is seen as an effective platform for community groups to identify and manage opportunities focused on increasing the capacity of local organizations and ultimately greater levels of socio-economic development. In 2009 alone, more than 130 working sessions involving almost 4,000 participants were held in communities across Newfoundland and Labrador, resulting in quality economic activity in regions of the province.

I would like to conclude by acknowledging the work of the department's staff. Everyday they contribute to business and economic development throughout all regions of Newfoundland and Labrador. Through their effort, many clients, businesses, and community groups receive the assistance they need to stimulate new levels of prosperity.

Sincerely,



Honourable Shawn Skinner
Minister
MHA, St. John's Centre
Minister, Innovation, Trade and Rural Development

DEPARTMENT AT A GLANCE

Vision

The vision of the Department of Innovation, Trade and Rural Development (INTRD) is "a diversified, competitive economy with productive and prosperous regions across the province."

Mission

By 2011, the department will "have stimulated economic and business development to foster regional and provincial prosperity."

Mandate

The mandate of the Department of Innovation, Trade and Rural Development is to lead:

a) the creation and maintenance of a competitive economic environment that encourages and supports private sector business growth and long-term sustainable employment opportunities for the people of the province;

b) the diversification of the economy on a provincial and regional basis, with particular attention to rural areas;

c) the promotion and encouragement of increased trade and export of goods and services by provincial industries and businesses in the national and international marketplace;

d) the creation of a climate conducive to innovation in business through the facilitation of research and development, technology transfer and technology commercialization within provincial industries and individual business enterprises;

e) the provision of business information, counseling and financial support programs and services to small and medium-sized enterprises; including private businesses, co-operatives, credit unions and community development corporations to stimulate economic and employment development within the province;

f) promoting the value of an enterprise culture and encouraging economic self-reliance throughout the province; and

g) the negotiation and administration of comprehensive federal/provincial economic development co-operation agreements and other forms of collaboration.

Lines of Business

The department operates five lines of business in support of regional development and economic diversification. Our lines of business are:

- Small and Medium-sized Enterprise (SME) Development
- Industrial Diversification
- Innovation
- Investment
- Economic Intelligence

INTRD delivers a wide range of regional, sectoral and cross-sectoral services and programs under these lines of business. These are delivered through 22 regional and field offices in five regions and through two corporate headquarters (St. John's and Marystown) throughout the province. In addition, through the Canada/Newfoundland and Labrador Business Service Centre, which the department co-manages with the Atlantic Canada Opportunities Agency (ACOA), INTRD offers additional business information and resources.

INTRD is also responsible for coordinating the Strategic Partnership, the Ireland Business Partnerships, as well as implementation of a number of cross-departmental and federal-provincial economic strategies and initiatives.

Legislation

The department is responsible for the following legislation:

- The Economic Diversification and Growth Enterprises Act
- The Business Investment Corporation Act

The *Research and Development Act*, for which department was previously responsible, became the responsibility of the Research and Development Council in 2008-09.

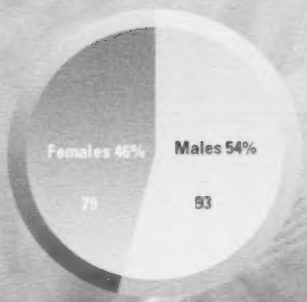
Organizational Landscape

INTRD employees are all guided by the same fundamental values of *innovativeness, resourcefulness, accountability, cooperativeness, respect, communication, effectiveness* and *responsiveness*. These values best describe the manner in which the department strives to conduct its business. INTRD has following branches and divisions,

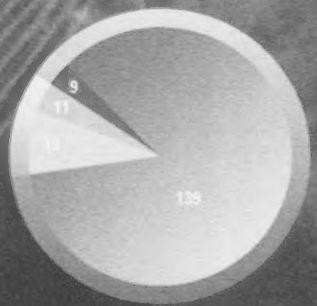
INTRD Executive Branches:

Trade and Export Development
Regional Development
Strategic Industries and Business Development
Innovation

Employee Distribution by Gender



Employee Distribution by Region



Avalon/Eastern	81%
Central	6%
Western	8%
Labrador	5%

INTRD Corporate Services Divisions:

- Policy and Strategic Planning
- Communications
- Human Resources

The department's distribution of employees with respect to gender is 93 males and 79 females. Of that 172, the vast majority are engaged in program and service delivery.

INTRD staff is distributed throughout the province in the five regions and two corporate headquarters. The department also provides staff resources to the Canada/Newfoundland and Labrador Business Service Centre (Appendix B: regions/office locations).

Investment Portfolio

INTRD manages an investment portfolio for small and medium-sized enterprises. The Small and Medium-sized Enterprise (SME) fund was invigorated in 2005 with a government investment of $10 million. The fund also includes the investments of the former Fisheries Loan Board, the Farm Loan Board and Enterprise Newfoundland and Labrador and has a value of $53.2 million. In addition, the department manages grants for marketing and outreach initiatives made through the Business Marketing and Development (BMD) program.

Decisions on investment actions and grants are made by the Board of the Business Investment Corporation (BIC). Since 2005, recoveries of $15.7 million have been reinvested in the investment portfolio; the portfolio is positioned as a revolving fund in that funds repaid from enterprises are invested in start-up and expansion opportunities in rural and regional parts of the province.

Since 2005, SME investments have been $16.4 million in a variety of sectors including tourism, valued - added manufacturing, information and communications technology, oceans, and fishery and forestry diversification.

The BMD program has invested $4.2 million since 2005 to support the prototype development, export and trade market activities, new technologies and business support to strategic enterprises in rural and regional parts of the province.

INTRD's Portfolio Management Division coordinates the forecasts of revenue and measures collections against those forecasts during the year. For 2009-10 collections were 113 percent of the forecast contributing $2.8 million to the BIC. In addition BMD funding had committed 82 percent of its $1.0 million allotment.

Corporations and Boards

There are four crown corporations reporting to the Minister of Innovation, Trade and Rural Development:

Newfoundland Hardwoods Limited;
Newfoundland Ocean Enterprises Limited/Marystown Shipyard Limited (NOEL/MSL);
Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL);
Business Investment Corporation (BIC);

The Minister is also responsible for the following two advisory boards:

Economic Diversification and Growth Enterprises (EDGE) Advisory Board;
Ireland Business Partnerships (IBP) Advisory Board.

These corporations and boards publish separate annual reports, which are posted on the INTRD website. *http://www.intrd.gov.nl.ca/intrd/publications.htm*

INTRD Partnerships

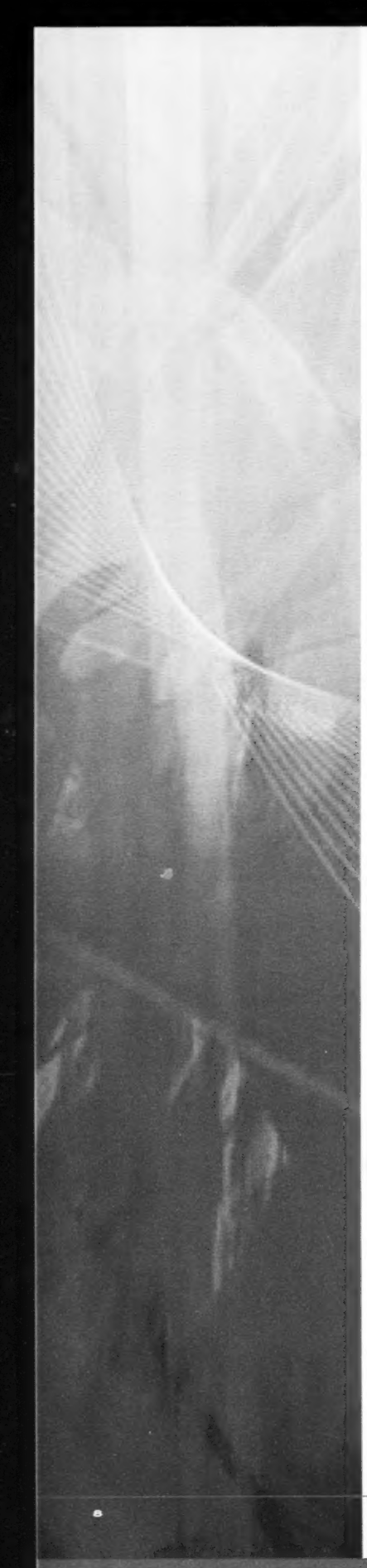
The Strategic Partnership

The Strategic Partnership is uniquely positioned to be a sounding board for public policy issues and solutions, and to making a meaningful contribution to the province's social and economic development. It is a partnership of government, labour and business represented respectively by the Government of Newfoundland and Labrador, the Newfoundland and Labrador Federation of Labour (NLFL), and the Newfoundland and Labrador Business Coalition (NLBC).

The NLFL has over 70,000 members, comprised of 30 affiliated unions with over 500 locals and six District Labour Councils who are active in every sector of the economy. The NLFL is the voice of labour within the province on local, regional, provincial, national and international issues of importance to workers.

The NLBC is the collaborative voice of business in Newfoundland and Labrador and is comprised of thirteen business associations who represent thousands of public and private employers and their employees throughout the province.

Currently, there are almost 70 people from government, labour and business involved in the Strategic Partnership. This group represents a diverse set of stakeholders for government to utilize in addressing public policy issues. Many of the business and labour representatives volunteer their time to actively contribute to the partnership process and offer their own unique perspective and experience. Their contributions help shape the direction of the Strategic Partnership and move its work forward.



In addition to these primary partners, other individuals or groups are invited to join Strategic Partnership committees as specific areas of knowledge are required.

The Strategic Partnership Secretariat is a dedicated organizational resource for the Partnership with specialized skill sets and knowledge in the fields of social dialogue and economic and social policy analysis. The tripartite members of the Secretariat work to build consensus on the social and economic issues facing the province by providing evidence based research to support the discussions and decision making of the Council and its committees. They also seek out opportunities for collaboration and work closely with the other government departments and agencies, labour organizations and business associations involved in the Partnership.

Ireland Business Partnerships

Established in 1997, Ireland Business Partnerships (IBP) has a mandate to identify, foster, and promote trade and partnership opportunities in business, education, and culture between Newfoundland and Labrador and Ireland. IBP collaborates with its sister organization in Ireland, the Ireland Newfoundland Partnership, to enhance the partnership. The contemporary economic relations between Ireland and Newfoundland and Labrador are largely focused on ocean industries, marine and geological resources, and cultural products. The partnership was formalized through Memorandums of Understanding (MOUs) in 1996 and 2004.

Initiatives that IBP helped organize or support in ways other than direct funding during the year include *The Fishing Ground: Talamh an Éisc: The Story of the Irish on the Island of Newfoundland*, a permanent exhibit highlighting the relationship between Ireland and Newfoundland and Labrador which opened at The Rooms in September 2009. In this, IBP acted as the project manager whereby funding was provided by the province, the Irish Government and Tom and Susan Foran. IBP also helped facilitate the opening of an Irish photography exhibit at St. John's City Hall, facilitated some work of the Fisheries and Marine Institute of Memorial University of Newfoundland (MI) during the year and participated in signing of two MOU's - MOU between MI and St. Angela's College (June 2009) and MOU between MI and the University of Limerick.

It also organized two trade missions to Ireland with the Trade and Export Development branch during the year in June 2009 and March 2010, helped organized the Ireland-Newfoundland Exchange (IN Exchange) in November 2009, which brought 23 Irish buyers in music and publishing to the province for meetings with local businesses in those sectors, and supported a film component which took place during the Atlantic Film Festival in Nova Scotia in September 2009. IBP facilitated departmental participation in a major ocean technology conference in Ireland in March 2010, focused on the National Irish ocean technology strategy.

Newfoundland and Labrador was the only international jurisdiction to receive an invitation to this event and to provide feedback to the strategy.

SHARED COMMITMENTS

To ensure the Department's services are responsive to economic and community development needs, and to the Provincial Government's broader economic and social objectives, INTRD works collaboratively with regional agencies, boards, industry associations, business groups, the education system, and other provincial and federal departments.

As well, INTRD works closely with many departments and government entities to deliver on cross-government initiatives and provincial strategies. These include Labrador and Aboriginal Affairs' Northern Strategic Plan, HRLE's Poverty Reduction and Youth Retention and Attraction strategies, Natural Resources' Forestry Industry Diversification Strategy and Tourism, Culture and Recreation's newly developed Tourism Vision. INTRD supports the implementation of these horizontal initiatives and regularly reports on their progress. INTRD also continues to work with HRLE on the Labour Market Development and Labour Market agreements and with the Department of Business on various regulatory reform initiatives.

As always, INTRD continues to play a key role in the coordination and implementation of government's first response plans to community and industry downturns. Whether through joint task force initiatives or other community engagement processes, INTRD works with its partners to increase engagement in economic diversification activities, while ensuring support, financial and otherwise, for those individuals and families directly impacted.

Finally, INTRD maintains a close working relationship with the central agencies of government, to ensure smooth internal operations and the timely reporting of public information.

TAKING ACTION ON STRATEGIC DIRECTIONS

The work of the Department of Innovation, Trade and Rural Development supports the Provincial Government's long-term goals. Each of the strategic directions below has an outcome statement associated with it and includes a number of components which are the responsibilities of various divisions and other entities reporting to the Minister. INTRD operates and focuses its programs and services around the following strategic directions:

- Regional diversification and industry growth
- Innovation
- Small and medium-sized enterprise business supports
- Business promotion, trade, and investment development
- Business, industry, and economic intelligence

Regional Diversification and Industry Growth:

Provincial Outcome Statement: Diversified and strengthened regional economies.

INTRD, through its various programs and services, has diversified and strengthened regional economies of the province. It provides effective investments in workforce skills development and retention which are drivers to building sustainable organizations and competitive advantage, thereby encouraging greater productivity. A key focus of the department is the implementation of the Comprehensive Regional Diversification Strategy.

The Regional/Sectoral Diversification fund (RSDF) is the program which is used to implement this strategy and to leverage federal and other sources of funding. The program's objective is to advance

priority sectors and support economic development initiatives through quality infrastructure that supports strong private sector engagement and a highly-skilled workforce in the province.

RSDF supported a broad range of sectors including knowledge-based industries, aquaculture and agriculture infrastructure, skills enhancement and education build out to support growth sectors and small and medium enterprise build out as well as tourism. Considering tourism is the one priority sector identified in all nine rural secretariat regions, it is no surprise that tourism initiatives received a significant amount of support through the program. With the release of *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism*, it is anticipated that significant funding will continue for economic development activity in the tourism sector.

In addition to RSDF, other programs like Getting the Message Out (GMO) and the Ambassador program assisted in regional and industry growth. GMO made presentations to youth and adult audiences to showcase successful business enterprises in non-traditional areas such as communications, technology and manufacturing, allowing the audience to see the diverse and varied opportunities available to them regardless of their geographic location. Similarly, The Ambassador newsletter highlighted positive stories of economic development in all regions of the province, showing that there are opportunities for successful business ventures in all regions.

Manufacturing Insights is another initiative through which the department provides information sessions in a variety of subject areas to create awareness of programs and services. Sessions are also focused on product improvement and process technology enhancement.

The Canada/Newfoundland and Labrador Business Service Centre (CNLBSC), which is also mandated to strengthen regional economies, is a joint initiative between the provincial department of INTRD and federal partner, ACOA. These two key government organizations support regional economic development and enterprise growth in the province. The CNLBSC maintained a regional presence

through a network of 38 sites across Newfoundland and Labrador and conducted an annual outreach program which included contact and visits to the network sites and other regional economic development groups. The department worked with entities like the Newfoundland and Labrador Regional Economic Development Association (NLREDA) to help enhance rural reach. It undertook promotional and outreach activities including attendance at trade shows and workshops in communities throughout the province. Its programs and services included business information products, counseling from information officers, and advisory and learning sessions to clients related to business skills development. These activities were made available through e-mail, a 1-888 phone service or by walk-in at one of the network sites.

Innovation:

Provincial Outcome Statement: An innovative culture.

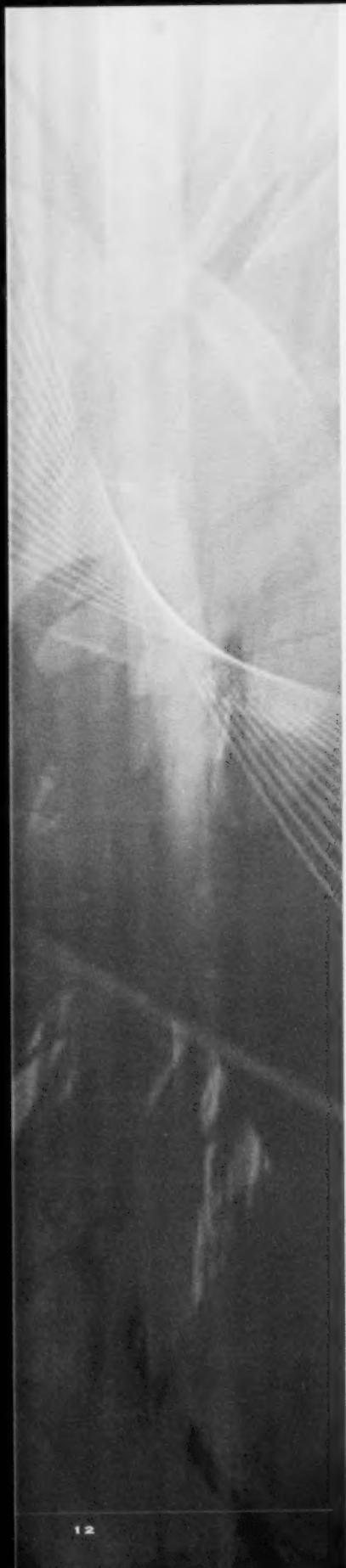
Newfoundland and Labrador is building upon natural strengths and endowments and is establishing itself as a leader in the international ocean technology sector. Through the implementation of its ocean technology sector strategy, the Provincial Government is creating an environment to ensure the industry maintains momentum and is well-positioned for success.

The industry has emerging strengths in technology development with a firm foundation in the province's ocean-related capabilities, history and environment, and related opportunities. In June 2009, INTRD launched *Oceans of Opportunity: Newfoundland and Labrador's Ocean Technology Sector Strategy,* a five-year strategy, $28 million strategy which aims to increase activity in the ocean technology sector in this province.

Throughout the fall of 2009, three proposal-driven programs were initiated as part of the strategy: OceanTech Smart Growth, OceanTech Intelligence and OceanTech Global. Implementation of the strategy will accelerate activity among business and academic communities to further develop applied research and development, commercialization activities enabling improved offshore safety, advanced marine simulation and modeling, smarter fishing, and enhanced technology practice in the aquaculture industry.

The Provincial Government is also supporting strong research and development. In 2009, the Research & Development Corporation, a new Crown entity for improving the province's research and development capacity, was established. As well in 2009, the Government of Newfoundland and Labrador committed to the construction and establishment of a Centre for Interdisciplinary Research in Human Genetics.

Additionally, the department is currently working to renew its innovation strategy to ensure the momentum gained through the implementation of the innovation strategy over the last four years



is continued. INTRD began a review of its innovation programs in 2009-10 and started examining potential areas of focus that may be targeted in the future. This process included valuable dialogue with industry, research and educational institutions, and government partners to identify opportunities for improvements and next steps. Capturing the input of key stakeholders of the innovation strategy will facilitate a renewed strategy – one that furthers the success achieved in its first four years into the next decade.

Two programs that support the innovation strategy are the Innovation Enhancement Program and the Commercialization Program. The Innovation Enhancement Program provides funding for the development and expansion of strategic industry clusters and for public/private research partnerships involved in the development of new technologies. The Commercialization Program provides funding to private sector enterprises in order to bridge an identified funding and investment gap between product research and product marketing. Funding is available for activities leading to the development of innovative, market-ready products and services, including support for technology transfer activities.

INTRD will work with Newfoundland and Labrador Environmental Industry Association (NEIA) to transition the sector from the traditional water and waste management projects that have kept these companies busy over the last number of years, to prepare companies for the new Green Economy that lies ahead.

Like INTRD, the CNLBSC also supported innovation enhancement in the province. It offered information products and workshops to entrepreneurs from all sectors including those in technology related fields. The library carries materials on starting and running technology businesses including topics such as protecting Intellectual Property (IP). The CNLBSC's Guest Advisor program provided sessions targeted at the technology community by regularly hosting an officer from the Canadian Intellectual Property Office to meet with businesses seeking advice on various aspects of IP. The Centre's outreach program involved attendance at trade shows and workshops hosted by technology focused groups such as the Newfoundland and Labrador Association of Technology Industries (NATI), OceansAdvance and the Genesis Centre, which enabled the Centre to promote its services to technology entrepreneurs and related support agencies.

The Strategic Partnership has struck an innovation committee to explore ways in which it can add value to the innovation agenda in the province through education and training, research and development, technology transfer and other means.

The diversity of the province's industry is reflected in its infrastructure. The province has seven airports (four of which are international), offering the latest in navigation systems, a full range of services, and unrestricted airfield capacity. There are numerous strategically located deep water ports with year-round accessibility. The province has developed expertise in small aircraft modification,

maintenance repair and overhaul and specialized part manufacturing and assembly. This expertise has resulted in several international contracts and a growing opportunity for further expansion.

There has been a significant potential for growth in maritime surveillance and security. Since 2001, through cross boarder initiatives in both the United States and Canada, considerable resources have been allocated to port security and offshore surveillance. Local companies and institutions continue to develop new products and technologies to expand into this area. As well, the issue of arctic sovereignty and the development of a Northern Gateway concept will provide further opportunity in maritime surveillance.

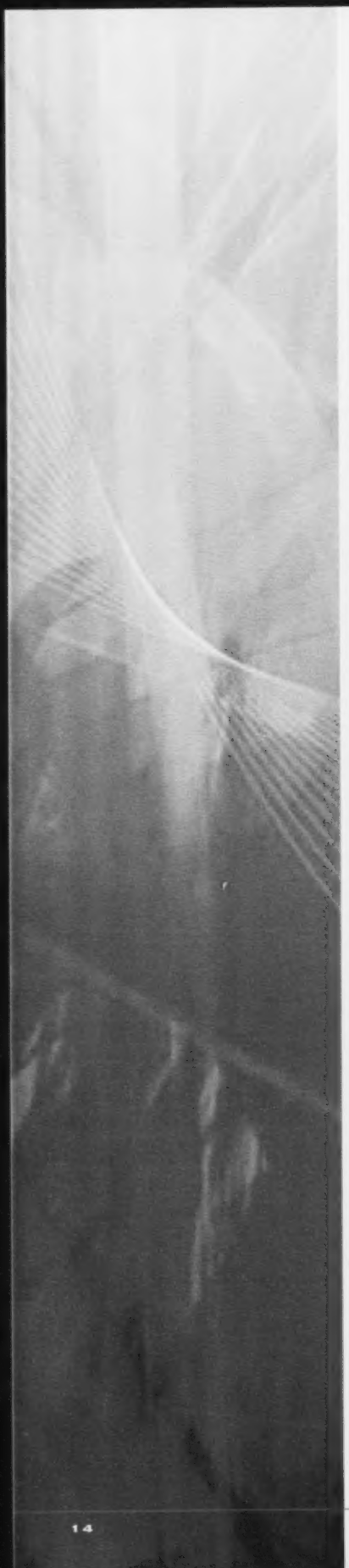
The province is also poised to become a centre of excellence for unmanned vehicle systems. Innovative companies, in cooperation with Memorial University of Newfoundland, are developing leading-edge technologies in unmanned marine, land and aerial systems.

Small and Medium-sized Enterprise Business Supports:
Provincial Outcome Statement: An environment supportive of enterprise establishment and growth.

INTRD's suite of programs and services from micro-loans to equity based financing have been critical to business development and economic growth in the province. Among INTRD's suite of programs and services, the SME Fund and the BMD assist business operators with start-up, expansion, and marketing of business ideas. RSDF assists non-commercial entities with other factors that are critical to providing a strong environment for business development. The Craft Industry Development Program (CIDP) is also instrumental in supporting the growth and development of small craft enterprises, particularly in rural regions.

INTRD also provides several non-funding programs and services to assist SMEs, such as the IP Sessions, facilitated by the Innovation branch of INTRD. The first session, held in Gander in October 2009, was designed to increase the knowledge and understanding of IP, recognize the importance of protecting IP, and provide an opportunity for knowledge exchange among small and medium-sized companies in Newfoundland and Labrador.

Information services and skills development in support of SMEs were provided by the CNLBSC as well. There were approximately 3,000 business information interactions with existing and potential entrepreneurs. Services included counseling and information products provided by four Business information Officers with strong knowledge of business programs and information sources. In addition, the centre provided business guides to SMEs and had 12 licensed databases covering a range of topics to assist entrepreneurs. Services provided by the CNLBSC also included referral to relevant program options and government contacts for funding and licensing. The Guest Advisor and Lunch and Learn programs are both examples of entrepreneurship skills development designed for the SME.



Business Promotion, Trade and Investment Development

Provincial Outcome Statement: Increased business promotion, trade and investment.

INTRD's Trade and Export Development branch's primary mandate is business promotion, trade and export development and is carried out by four groups within the branch – Marketing, Trade Development, Trade Policy, and Trade Logistics and Northern Gateway.

The Trade Policy group worked at a macro-level, eliminating or reducing trade barriers so that our companies can more equitably compete in the global market. Free trade agreements such as North American Free Trade Agreement, the upcoming Canada-EU Comprehensive Economic Trade Agreement and the province's participation in the Agreement on Internal Trade, continue to be monitored by this group to insure the province's interests are promoted. Through its Trade Mission and International Trade Assistance programs, the Trade Development group worked in partnership with current and emerging exporters to undertake business development missions to strategic markets, including Ireland, Panama, New England, Greenland, Chicago, and the Southeastern United States. As well, through the Business Networks program, the Trade Group provided financial support to companies and organizations for the creation and development of export-focused networks, enabling companies to come together to pursue market opportunities that on their own would be cost prohibitive and overall more challenging. Through the *TradeWaves* e-newsletter, presentations to the business community, and the Export and Innovation Awards, the Trade Development group continue to promote export awareness and recognize local excellence in exporting.

INTRD hosted the second annual Southeast United States-Canadian Provinces Alliance (SEUS//CP) Conference in St. John's in July 2009. The SEUS//CP is a newly created alliance with 13 member provinces and states from eastern Canada and the southeast United States. The conference highlighted energy, ocean technology and aerospace and defense as the three areas of strength for the province. The annual conference theme was to focus on important areas of opportunity for businesses in the region.

The Trade Logistics group participated in a collaborative marketing program with Atlantic Canada Opportunity Agency (ACOA) on a pan-Atlantic basis to promote the Atlantic Gateway and related business opportunities. International trade initiatives were undertaken in Germany, Belgium, the US and India to promote the province's gateway clients.

The recent Canadian Free Trade Agreements with countries such as Peru and Columbia, and the Agreement on Government Procurement with the US, opens doors for Newfoundland and Labrador companies. In addition, ongoing Canada-EU negotiations have the potential to better conditions for local firms selling or pursuing opportunities in the European Union (EU) countries, and even other parts of Europe. Similarly, there are many opportunities for industries to expand into untapped markets at

home and abroad. Furthermore, use of the Internet and the recent launch of a new organization in Atlantic Canada, Craft Alliance, will also increase opportunities for craftspeople to reach niche markets.

The CNLBSC maintained contact with the Department of Foreign Affairs and International Trade and arranged meetings of Trade Commissioners with staff to develop export knowledge and contacts.

Business, Industry and Economic Intelligence

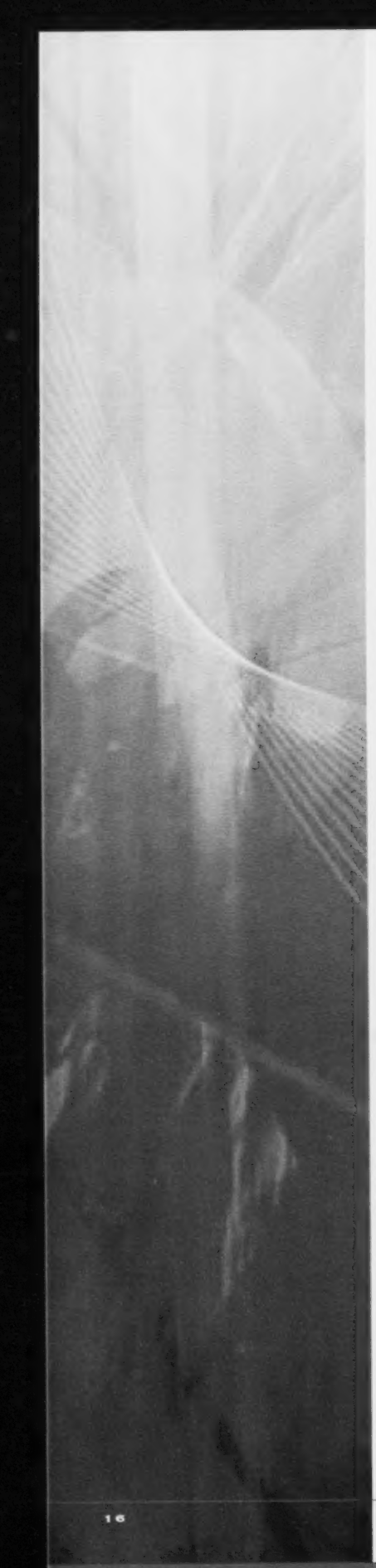
Provincial Outcome Statement: Improved understanding of and response to significant and long-term economic and competitiveness issues.

The Strategic Partnership Secretariat continues to utilize the competitiveness framework to assess the economic competitiveness of Newfoundland and Labrador. The most recent analysis was completed in May 2009. Work has been initiated on expanding the framework and data analysis to incorporate both social and economic measures of competitiveness. This will continue throughout 2010. The Strategic Partnership held its first public policy symposium in November 2009. The primary focus of this event was to discuss the value of partnership during economic uncertainty. The symposium brought together the perspectives of over 80 representatives from government, business and labour, as well as provincial and national economists, to discuss the social and economic issues facing the province, and how The Strategic Partnership can influence the identification and resolution of some of these issues. Members of The Strategic Partnership, particularly representatives from business and labour, provided feedback in terms of employment and industry trends to inform the work of the council and its committees.

Through Business Networks concept and program and the Business Retention and Expansion programs, INTRD provided support to clients for activities designed to enhance domestic capabilities, competitiveness and increased exports of goods and services, including professional development in international trade training, export skills seminars and international business and education linkages.

INTRD's Economic Development Officers and Industry Development Officers gather and disseminate client-focused business and marketing intelligence enabling producers to make informed decisions to improve and expand their businesses. In addition, the RSDF has supported many provincial initiatives with a goal of assisting business development. For example, the RSDF provided support to the Newfoundland and Labrador Organization of Women Entrepreneurs to develop and deliver a province-wide business management training strategy for women entrepreneurs.

The CNLBSC also provided information products through its library, databases and custom-developed products. This information is designed to equip local SMEs and potential entrepreneurs with the tools to improve business strategies and increase competitiveness.



INTRD conducted a survey related to Government's Broadband Initiative (GBI). In January 2010, the department began the task of surveying all Provincial Government departments and its agencies to establish a baseline of telecommunications infrastructure and services. The information collected will be important in defining the service requirements of each department and agency, and to ensure the GBI network meets the service requirements of each organization as the design of the fibre optic network is finalized. An analysis of the data will occur in 2010-11 and INTRD will work closely with the departments and agencies to interpret the data.

TAKING ACTION ON PRIORITY ISSUES

INTRD's 2008-11 Strategic Plan focuses on three key issues - competitiveness, capacity building, and strong regions. The department outlined the goals and annual objectives under each of the priority issues to deal with them over a period of three years from 2008 to 2011. The programs and services offered by the department address all three strategic issues. In terms of competitiveness, our marketing programs assist clients to compete in the broader market place, both in the province and beyond. INTRD's funding and training activities help build capacity of clients by improving their technical, business and marketing skills, enabling them to better address business challenges. All of our programs and services work in conjunction to support clients in all regions of the province.

INTRD also supports and advises clients in evaluating markets and assisting with early exposure to those markets. The Sector Development Officers and Trade Officers within the department evaluate various markets and trade shows and coordinate events that would give the companies exposure to the market of interest and identify potential buyers within it. Staff also work with their Atlantic counterparts and Federal Government departments to avail of other funding sources to coordinate missions and shows on an Atlantic or national basis. External consultants are often used to arrange business-to-business meetings with Newfoundland and Labrador companies in the market of interest.

RSDF program has funded key economic development initiatives to advance priority sectors identified for each of the regions throughout Newfoundland and Labrador. It has played a key role in developing local economies, especially in rural areas that have experienced extreme downturns in the economic environment. RSDF aims to accomplish all of the goals as outlined in INTRD's mandate. All initiatives supported by RSDF focus on completing strategies to enhance the development and implementation of key sectors and create an environment for business development. Activities include conducting studies and feasibility analyses, investing in initiatives that support more vibrant business communities including developing infrastructure which brings economic benefit to the regions and province.

INTRD undertakes activities such as trade mission organization, trade show participation, and client training initiatives to support the food and beverage sector. Trade shows and missions have proven to be successful methods to secure buyers for local food and beverage manufacturers. These events are

instrumental in identifying brokers and new customers for the clients, assisting them in collecting competitive intelligence, meeting prospective suppliers and sampling their products to pre-qualified visitors. The primary focus for local food and beverage companies has been mainly Canada (Ontario and Alberta). However, companies are also exploring US markets. Many of the exporting companies are looking to the US to grow their business as they have achieved market saturation in the local and national marketplaces. Some products have limited appeal to local markets and the "marketing net" must be thrown further and wider to capture significant customers to make the manufacturing of a product viable.

INTRD's Trade and Export Development branch largely impacts at the company level and the Trade Policy group works more at a macro level, both of which translate into overall benefits for the province.

The aim of the ocean technology strategy is to increase the level of ocean technology activity in Newfoundland and Labrador. In line with the broad initiatives and programs of the innovation strategy, its initiatives focus on capacity building and market development. They include supporting business at all stages from incubation to maturity; strengthening ties between industry and educational institutions; and developing a new marketing approach for select target markets. Overall, the strategy supports measures to accelerate development in the province's naturally strong ocean technology sector, while enhancing the innovative environment for business and technology. The Provincial Government recognizes that a solid foundation of public support and infrastructure will assist ocean technology companies to develop capacity, expand to global markets, and increase profitability.

Competitiveness

Through the Department of Innovation, Trade and Rural Development, the Provincial Government offers a series of business development programs that support economic development efforts. These programs – the Regional/Sectoral Diversification Fund, Small- and Medium-sized Enterprise Fund, International Trade Assistance program, Business Networks, Commercialization program, Innovation Enhancement program, Business and Market Development, Business Retention and Expansion, Workplace Skills Enhancement Program, and Community Capacity Building – are in place to help businesses and organizations identify new markets, diversify products and services, and improve their overall competitiveness. The development of the craft sector is supported by INTRD's programs and services such as: Craft Industry Development Program (in partnership with ACOA), Crafts of Character Branding Program, maintenance of the Crafts of Character website (http://www.craftsofcharacter.com/), Wholesale Marketing Program, the Buyers Guide, the Buyers Market Place (Provincial Craft Wholesale Show), Atlantic Craft Trade Show, Product Review Program, the Craft Registry, See How it's Made Promotion, and Client Consultations and Workshop delivery.

The Strategic Partnership Secretariat developed a structured competitiveness indicator framework, comparing Newfoundland and Labrador to competitor jurisdictions in Canada, the US and Europe. The recent analysis was completed in 2009. The framework analyzes competitiveness based on five main themes: macroeconomic performance, economic and business development, labour markets and demographics, tax and fiscal policy, and infrastructure. The analysis flowing from this framework has been used for internal planning and information sharing within The Strategic Partnership. It presents detailed comparative information, and then identifies policy issues that require further discussion or follow-up analysis and potentially, consideration for policy change. This approach promotes dialogue and collaboration and helps build consensus to inform the policy making process.

The Trade Policy group is also committed to assist companies to become more competitive in the global marketplace. The group helps opens new markets for local companies through involvement, monitoring and negotiation of various trade agreements. These trade agreements also require companies to be more competitive at home as they often open the provincial market to new entrants. In contrast, the Trade Development group of INTRD works at the company level by assisting them with market preparation, as well as export skills training and market entry activities. This group also encourages and facilitates experience in international markets for Newfoundland and Labrador companies. These activities aim to support local company goals of global competitiveness.

Improving access to efficient, reliable and cost-effective transportation services is critical to exploiting comparative advantages and maintaining competitiveness in the global economy. The provincial export community requires both bringing critical supplies in and shipping finished products and services to market. This community is particularly sensitive to any changes in the availability, scheduling, or cost of transportation services. This issue affects all regions, though it is particularly acute in rural areas where even small variances can affect a company's competitiveness. Trade Logistics undertakes activities to improve our transportation infrastructure - one of the most critical components of our business industry.

2008-2011 Goal:

By 2011, INTRD will have assisted business clients compete for and access market opportunities.

Annual Objective 09-10: *By 2009-10, INTRD will have supported clients to identify and realize market opportunities at home and abroad.*

Measure: Supported clients in markets at home and abroad

Indicator 1: Assisted/supported in educational and professional development of clients

Activities:

- In fiscal 2009-10, the Strategic Industries and Business Development branch of INTRD funded development for the Fur Breeders Training model which was administered by College of the North Atlantic. It also delivered 15 "Manufacturing Insights" information sessions and together with Regional Development branch facilitated three high-level Lean Manufacturing workshops through the Fluent Consortium. The Fluent Consortium is a business network which focuses on "Leveraged Learning" activities. In addition, marketing and business-related workshops to craft clients were sponsored or delivered by the department, providing opportunities for clients to increase their knowledge in key business areas and competitive business practices.

- The Craft group's participation in the two provincially-supported wholesale trade shows Atlantic Craft Trade Show and Buyer's marketplace promoted professional development and first-hand experience for their clients related to selling to wholesale buyers. The skills they developed from these experiences can be applied as they move on to bigger shows or other markets.

- For food and beverage companies, INTRD arranged educational missions to North Carolina for two clients and Hazard Analysis Critical Control Points - food safety program training was provided to six clients.

- The GMO and Ambassador Programs of Enterprise Outreach and Marketing division conducted presentations for youth groups, secondary and post-secondary students, and adult groups in career transition, providing information on entrepreneurial opportunities and career and educational options.

- The Trade and Export Development branch of INTRD in collaboration with the Regional Development branch supported International Market Information Sessions, which are designed to educate clients on potential opportunities in the specific markets. At these sessions, the department's in-market representatives presented information to clients about market opportunities in key sectors. Three sessions were organized by INTRD. Joint sessions on market opportunities in Ireland and New England were held in St. John's and Corner Brook with a total of 31 company participants, and a session on the Southeast US was held with 43 companies participating. It also organized and delivered a 44-week high-end sales training program to 20 companies with funding from the pan-Atlantic federal/provincial cost-shared program, the International Business Development Agreement (IBDA). The training was focused on companies that are already exporting or getting ready to export.

- The Innovation branch of INTRD together with Regional Development branch arranged a second series of IP sessions for clients and staff. The sessions were held in Corner Brook and St. John's during October 2009 and provided in-depth knowledge of IP including the Patent Cooperation Treaty and non-disclosure agreements. The audience primarily consisted of small and medium-sized companies from various strategic sectors in the province. There were also participants at both sessions representing post-secondary institutions and not-for-profit organizations in the province.

Indicator 2: Supported clients in various sectors to access market opportunities

Activities:

- The INTRD's Trade Mission Program in 2009-10 delivered 14 trade missions which saw local companies explore business opportunities in other parts of Canada, US, Europe, and South America. A total of 94 companies participated. The majority of these missions included companies from a number of different sectors, complementing other various sector-specific initiatives. These missions were organized for the companies to access market opportunities. Specifically, organization and leadership was provided for two food and beverage sector specific missions, support was provided for an incoming Irish mission around opportunities in the cultural sectors of music, book publishing and film development. Twenty-four buyers from Ireland traveled to the province to meet companies in these three areas. Support was also provided for three ocean technology sector trade development initiatives including *Oceans 09*, *Oceanology*, and the *Workboat Show*. In addition, a number of market access activities were facilitated in collaboration with ACOA under the Atlantic Gateway, including events and missions to key markets, such as Germany, Belgium, the US, and an incoming trade mission from India.

- Under the Wholesale Marketing Program, the department in February of 2010, took seven clients to exhibit in the Atlantic Craft Trade Show, providing companies with access to buyers from Atlantic Canada, other provinces, and several north-eastern states. The Buyers Marketplace - Provincial Craft Wholesale Show in March provided further opportunities to our producers to sell to local craft and gift retailers (26 exhibitors in 2010). The show is supplemented by the online Show allowing retailers around the province to place orders for products.

- In the agrifoods sector, efforts were directed to expand development opportunities within the cranberry industry. New farms have been started in central Newfoundland and Labrador while efforts have continued with existing operators to expand their operations.

- The OceanTech Global program funded 27 projects in 2009-10. These projects supported 14 companies with business development activities in new markets and the Marine Institute to attend various national and international ocean related events.

- The Regional Development branch with support from the Business Analysis division assisted clients to access various opportunities by announcing a new Workplace Skills Enhancement Program, focused on skills development, to business clients within priority sectors. It assisted in the development and ongoing implementation of the Forestry Diversification Strategy, assisting and implementing investments totalling $14 million to three integrated sawmills, having direct and indirect impacts on more than 700 people throughout three regions of the province. It also provided aquaculture support, business analysis, and SME supports, as well as community development support to Central Newfoundland and Labrador.

Indicator 3: Number of clients assisted through various programs

Activities:

- Twelve projects were approved totaling $159,106 for business networks under the Business Networks program across the province. BMD program has also provided support to the local networks in the province.

- The Newfoundland and Labrador provincial pavilion at the Canadian Restaurant and Food Service Trade Show (four exhibitors and two other delegates), Educational Mission to Grocery Innovations Show in October 2009 (two companies participated).

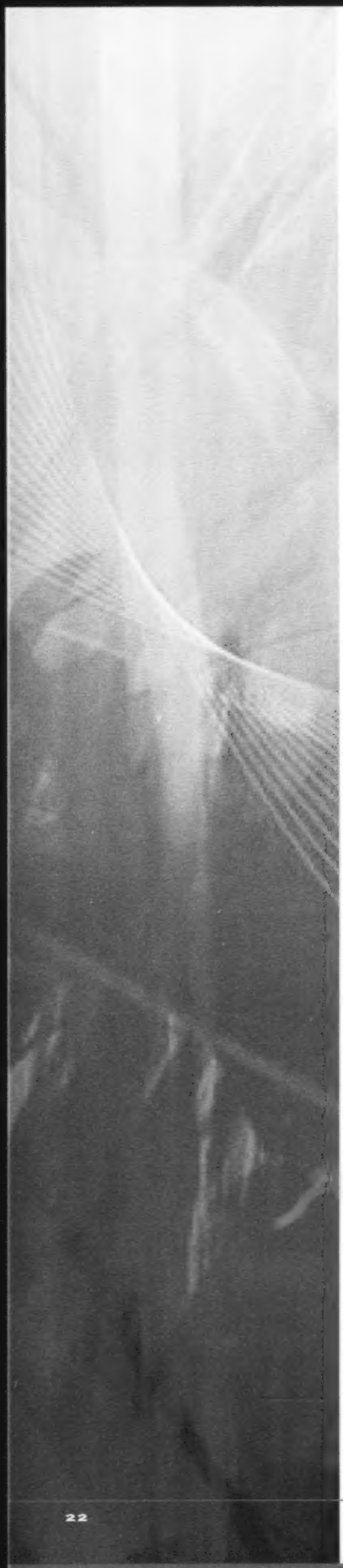
- Over 250 business and community leaders attended the 15 "Manufacturing Insights" events delivered in fiscal 2009-10 and over 50 business participants attended the "Lean Manufacturing" workshops with the Fluent Consortium.

- Craft Workshops were attended by over 100 clients, Trade Shows: 33 clients, Wholesale Buyers Guide: 39 clients, Crafts of Character website: 117 clients, CIDP assisted 50 clients.

- The International Trade Assistance Program (ITAP) provided 70 individual Newfoundland and Labrador companies with travel assistance in the total amount of $93,647 to support trade development activities.

- The Innovation Enhancement Program provided assistance to public sector institutions, not-for-profit groups, community organizations and industry associations for projects that enhance innovation in the province. During 2009-10, six clients were assisted through the Innovation Enhancement Program. Projects totaling $262,000 were approved.

- The Commercialization Program provided funding to private sector enterprises for activities leading to the development of innovative, market-ready products and services, including support for technology transfer activities. During 2009-10, INTRD made investments of $1.45 million into six companies through the Commercialization Program.



- The Youth Innovation Call for Proposals assisted 21 clients, OceanTech Smart Growth - one client assisted, OceanTech Intelligence – three clients assisted, OceanTech Global - 27 clients assisted.

- Specific projects funded under the innovation strategy were Ocean Observation Project - Smart Bay, Funding for Aerospace and Defense Industry Association Newfoundland and Labrador, Funding for Genesis Centre, Funding for OceansAdvance, Sponsorships for Canadian Information Processing Society and Students in Free Enterprise.

- The Workplace Skills Enhancement Program: training assistance was provided through the Newfoundland Aquaculture Industry Association to 165 participants representing 15 different companies.

- Support for young entrepreneurs and innovators: assistance for eight initiatives provided outreach to over 900 youth across the province.

- Through the Business Retention & Expansion interviewed a total of 47 businesses which in turn received follow-up guides with action plans, encouraging and supporting business, industry and community growth.

- The monthly Food and Beverage News Alert communicated to more than 150 clients regarding opportunities for trade shows, missions, training events, legislation and sector news.

- The CNLBSC information officers handled 3,001 inquires from clients, the vast majority of which were from walk-in visits and telephone requests. The network sites reported 3,293 clients submitting information requests and there were approximately 150 clients participating in the Guest Advisor Program.

- BMD program committed 82% of $1.0 million and SME Fund committed $2.6 million in fiscal year 2009-2010.

- INTRD supported number of community development groups and SME linkages in response to closure of Mill in Grand Falls-Windsor creating direct construction jobs by way of riverfront development and cranberry and trades conversion.

Indicator 4: Supported clients to realize opportunities abroad (number, types, program and sectors)

Activities:

- INTRD is a member of the Craft Alliance as a board member and financial contributor. The Craft Alliance is mandated to develop international marketing opportunities for craft clients from Atlantic Canada. This organization has begun work on identifying export opportunities for the craft producers.

- Through INTRD's Ambassador events and in partnership with trade missions, the department provided support to connect businesses in the province with influential individuals, including buyers, government officials and distributors outside the province. With a concentration on identified growth sectors, the department arranged and executed four Ambassador receptions where networking opportunities existed between provincial companies and outside interests.

- INTRD's pan-Atlantic federal/provincial cost-shared program, the IBDA, supported 62 Newfoundland and Labrador companies in 14 separate trade development initiatives for a total support amount of $1.4 million. These initiatives were in addition to the department's Trade Mission Program. As well, through the ITAP, 70 individual Newfoundland and Labrador companies were provided travel assistance to support their trade development activities.

- Trade Development programs and services support companies across the province, cooperating and partnering with regional industry, business groups and companies to target international market opportunities for regionally-based industry. For example, the Business Networks and BMD program provides support for business groups engaging in projects that enhance their ability to access international markets. Twelve projects were approved totaling $159,106 for business networks across the province.

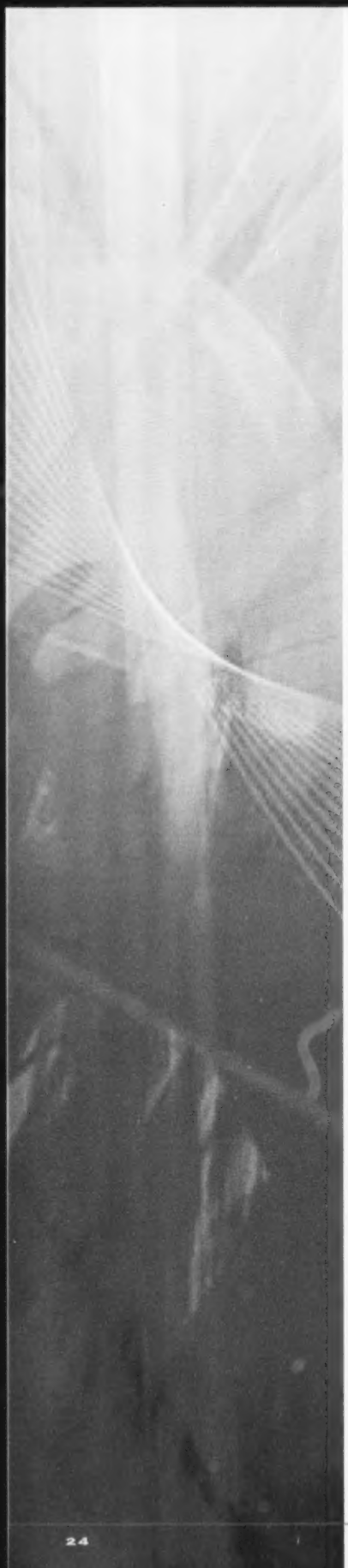
- Additional detail with regards to the number of clients assisted is provided above under Indicator 3,

Annual Objective for 2010-11:

By 2010-2011, INTRD will have supported clients to enhance their competitiveness

Measure: Supported clients to enhance their competitiveness

Indicator 1: Business network activities undertaken to enhance enterprise and entrepreneurial skills.
Indicator 2: Identified and promoted opportunities for businesses in various sectors.
Indicator 3: Supported clients and identified new markets for clients.
Indicator 4: Developed new ExportAdvantage Internship Program.



Capacity Building

INTRD sponsors and delivers training activities to help build upon the capacity of clients by improving their technical, business and marketing skills and by enabling those to better address business challenges.

The department's Regional Development branch delivered the BMD program, as well as provided support to business and community development throughout five regions of the department. It conducted IP sessions, lean manufacturing sessions, project management and business planning workshops, and regional economic planning workshops. It delivers several other programs that fund capacity building and skills enhancement workshops. In fact, the new Workplace Skills Enhancement Program provided funding to help the employees of SMEs in strategic sectors acquire and enhance skills to increase productivity and global competitiveness, and support expansion. Furthermore, this year the department made information on such programs more accessible by putting factsheets about the Community Capacity Building and Workplace Skills Enhancement programs on the departmental website. Through the Community Capacity Building Program, INTRD engaged communities and groups including women's networks, aboriginals and youth as well as social development groups to identify opportunities and participate in strategic planning in an effort to build capacity throughout the province. For example, in September 2009, the Community Capacity Building invested in a joint Zone 4 and Zone 5 District Forum, hosted by the Labrador Straits Development Corporation, to identify opportunities in the Labrador Straits area. A variety of stakeholders in the area collaborated, learned about opportunity management, and identified regional priorities.

The Trade and Export Development branch provided support to clients for activities designed to enhance domestic capabilities, competitiveness and exports of goods and services, including professional development in international trade, export skills seminars, and international business and education linkages. In addition, the Trade and Export Development branch, with funding from the IBDA, organized and delivered a 44-week high-end sales training program to 20 companies. It also offers skill enhancement programs aimed at developing company level competencies in international business development, enhancing knowledge transfer and improving firms' overall export performance.

The CNLBSC offers entrepreneurship and business skills development activities through its Guest Advisor and Lunch and Learn sessions. These are available to the entire province through the online Go to Meeting service. The session's advisors include experts from banking, business law, IP, human resources, accounting and insurance.

The Manufacturing Insights Initiative informs industry on programs and services designed to assist the manufacturing sector in Newfoundland and Labrador. The initiative has evolved over time from information sessions based around government programs and services to become more focused on 'Best Practices' that can be employed by manufacturers to improve productivity and business

performance. For example, the Manufacturing Insights Initiative delivered Lean Manufacturing workshops which provided clients with productivity training. Also, in the craft sector there is a wide array of skill enhancing workshops available such as rug hooking, carving, and native beading.

The Strategic Partnership's capacity-building component provides labour (through the Federation of Labour) and business (through the Business Coalition – an umbrella agency for business groups) $100,000 annually under the terms of a tripartite Performance Agreement. This allows both partners to each employ an individual to work full-time on Partnership initiatives and strengthen ties among the three partners. The Partnership plays a key role in both funding projects by assisting with the mobilization and dissemination of research findings, educating and informing stakeholders.

2008-11 Goal:

By 2011, INTRD will have assisted business, community and economic development stakeholders to build capacity

Annual Objective 2009-10: *By 2009-10, INTRD will have facilitated capacity-building and skills enhancement for business and economic development clients.*

Measure: Facilitated capacity building and skills enhancement with clients

Indicator 1: Development of tools (manual, website, guides) to facilitate capacity building for business clients and economic development clients

Activities:

- In fiscal 2009-10, the Strategic Industries and Business Development branch facilitated the development and piloting of a Lean Level 2 training program through the Fluent Consortium of Canadian Manufacturers and Exporters - Newfoundland and Labrador. The training followed up on productivity training already in place through the Lean Level 1 program. The branch also facilitated the establishment of a Manufacturing Advisory Council for Newfoundland and Labrador (MAC). The MAC is intended to be a forum for discussion on key issues within the manufacturing sector and help define the future requirements of the industry. There was one meeting of the council in fiscal 2009-10.

- The department facilitated a strategic planning session with the Fogo Island – Change Island Agriculture Co-op and another strategic planning session with the Horticulture Council.

- For companies in craft business, the department commissioned the development of a training manual for emerging crafts people, completed an International Accreditation Service training needs assessment for the craft industry and supported development of a new online Craft Registry to be used by the department to identify craft producers for marketing and training opportunities. INTRD also distributed monthly e-newsletters to producers to share marketing, training and business information.

- The department released its oceans strategy, *Oceans of Opportunity: Newfoundland and Labrador's Ocean Technology Sector Strategy*, to improve supports to ocean-related business, strengthen ties between institutions and industry, and develop a new marketing approach for select target markets.

- The Workplace Skills Enhancement Program was announced in October 2009 to help small and medium-sized enterprises in strategic sectors acquire or up-skill employees to enhance productivity.

- The Community Capacity Building program partnered with the Newfoundland and Labrador Federation of Co-operatives (NLFC) to produce two new modules focused on the basics of co-operative development (Module 1: Co-op Basics and Module 2: Co-operatives and Community Development). These modules were delivered five times over the course of the fiscal year. In addition, work was being completed for a third module to be piloted in 2010-11. The Community Capacity Building program has been recognized by the Voluntary and Non-Profit Secretariat of the Provincial Government as an important tool for capacity building. The links to the program has been posted under their training opportunities.

- INTRD assistance was provided to the NLFC for redevelopment of the co-op sector website which provided co-op development tools and resources to the public. It is utilized by INTRD staff participating on the INTRD/NLFC Co-op Developers' Network.

- INTRD in partnership with the Department of Natural Resources worked in the development of a forestry industry diversification strategy as well as marketing strategy and developed the commercial and non-commercial program guidelines to support forestry diversification.

Indicator 2: Deliver information seminars and workshops related to skill enhancement for clients (BR&E, market readiness seminar, sessions, workshops and networking sessions)

Activities:

- In fiscal 2009-10, the Strategic Industries and Business Development branch delivered seven lean awareness and five quality assurance/quality control awareness sessions through the Manufacturing Insights Initiative. The sessions were attended by over 175 business and community leaders. It also delivered the lean manufacturing diagnostic to five firms in central Newfoundland as a pilot project. Follow-up training is being pursued by the companies involved.

- The Strategic Industries and Business Development branch also delivered 17 skills enhancement workshops throughout the province in 2009-10 to 170 participants. Workshops included caribou hair tufting, rug hooking, moccasin making, carving, grass basket sewing, Precious Metal Clay

(PMC) jewellery, metal-smithing, native beading, textile design, needle felting, woodturning, and printmaking. Other craft-related workshops include Metal Arts Workshops - PMC jewellery, photography, and silk painting and design.

- In 2009-10, one market readiness seminar was held by the Food and Beverage Sector Economic Development Officer before the Canadian Restaurant and Foodservice Association show. Three more market readiness seminars were organized by Trade and Export Development branch. Two joint sessions on market opportunities in Ireland and New England were held in St. John's and Corner Brook with a total of 31 company participants, and a seminar on the Southeast US was held with 43 companies.

- INTRD worked with a group of food and beverage businesses to develop a new Business Network for Gourmet Food Products.

- The GMO and Ambassador programs conducted Ambassador receptions in key markets for the purpose of networking with key influential people in-market. These receptions provided opportunities for local businesses and interest groups to network and establish relationships with buyers, influencers, and distributors in out-of-province markets. Presentations conducted through the GMO group of the department provided youth of the province, and people in career transition, with information to help foster a culture of innovation, self-reliance and entrepreneurship.

- The CNLBSC hosted 32 guest advisor sessions with approximately 150 participants. Participants received free one-on-one counseling services from business professionals. The centre also led 25 training sessions and presentations for business, education and economic development audiences. It conducted a three-day program which included seven training and networking activities and eleven activities for Aboriginal business development professionals.

- The information session on the ocean technology strategy and new programming were provided to the Board of Trade, OceansAdvance and the City of St. John's.

- The Business Retention & Expansion program held 19 information sessions for Local Resource Network Partners (i.e. INTRD divisional staff, ACOA, Regional Economic Development Boards (REDBs), Community Business Development Corporations, Municipalities, Chambers of Commerce, etc).

- In 2009-10, the Community Capacity Building program provided support for 142 capacity building workshops in the province. These included 95 workshops with 42 groups, as well as 47 workshops with 25 groups for clients targeted by the province's Poverty Reduction Strategy. In total, 3,600 individuals participated in the 142 workshops.

- INTRD in partnership with ACOA, provided assistance and funding support to the Newfoundland and Labrador Regional Economic Development Association to deliver performance management training sessions to all REDBs in the province. Five sessions were conducted throughout the province.

Indicator 3: Implementation of Regional Collaboration pilot to advance regional sustainability

Activities:

- The Regional Collaboration pilot has been implemented. The DM committee overseeing the pilot directed a lead role by the Rural Secretariat as this is part of the mandate of building partnerships and collaboration in communities to support sustainable development. INTRD continues to be a supporting partner for the implementation of the Regional Collaboration pilot, to advance regional sustainability. INTRD provides assessment, diagnostic and information advice with respect to economic development.

Indicator 4: Implementation of OceanTech Funding Program

Activities:

- INTRD implemented the new ocean technology strategy by developing three OceanTech funding programs. The programs are in place to provide assistance to clients and the department is accepting applications for all three funding programs.

- OceanTech Intelligence was a new program offered in 2009-10 to provide assistance to not-for-profit organizations, industry associations and public sector educational institutions for projects that support the growth of Newfoundland and Labrador's ocean technology sector. Applications were considered for projects that demonstrated a benefit to the innovation capacity of the ocean technology sector. Three projects totaling almost $553,000 were approved in 2009-10.

- The OceanTech Global program was also launched in 2009-10 with the objective to support the promotion of Newfoundland and Labrador's ocean technology capabilities in national and international markets. Financial assistance was available to applicants for national and international travel associated with oceans related business development activities, including trade shows, trade missions or specifically defined ocean development initiatives. Consideration and priority was given to applicants exporting products or services into new markets or launching new products or services into existing export markets. Of the 27 OceanTech Global projects funded in 2009-10, 16 projects provided assistance to not-for profit groups and educational institutions involve in the ocean technology sector. Total assistance approved for these projects was $112,000.

- The OceanTech Smart Growth Program focuses on support for companies with high growth potential, and projects that emphasize ocean intelligence and ocean observation, vessel operations, and ocean energy. The program provided financial assistance to incorporated private sector ocean technology firms to assist with activities related to product enhancement in response to market needs. By the end of 2009-10, INTRD was reviewing various applications to the OceanTech Smart Growth Program.

Indicator 5: Support funding to not-for-profit organizations for skills enhancement

- Community Capacity Building funding was available to not-for-profit economic development organizations including regional economic development boards, municipalities, industry/sector groups, educational institutions and any other community-based organizations involved in economic development. INTRD conducted a strategic planning session for the Anna Templeton Centre using INTRD's Capacity Building Program.

- CIDP supported skills enhancement training for clients through not-for-profit organizations. INTRD funds were used to leverage ACOA funds.

- The Innovation branch supported the Genesis Centre to assist incubating companies, enhance their skills in a range of areas.

- The Workplace Skills Enhancement Program provided training assistance through the Newfoundland Aquaculture Industry Association to 165 participants representing 15 different companies. This initiative received $30,000 to conduct the training.

- In addition, under the Poverty Reduction Strategy, INTRD provided support for targeted clients. In 2009-10, $215,895 was provided under the Community Capacity Building program, with an additional $95,319 under Community Capacity Building - Poverty Reduction Strategy.

Annual Objective for 2010-2011: By 2010-11, regional capacity building has resulted in projects and plans that have had a positive impact on people, communities and regions.

Measure: Projects and plans have been supported that build regional capacity and have benefited people, communities and regions.

Indicator 1: Implementation of capacity building tools to enhance skills of the people in regions.
Indicator 2: Number of economic development initiatives (projects and plans) supported.

Strong Regions

Industry development programs and services support companies across the province, cooperating and partnering with regional industry, business groups and companies to target international market opportunities. With INTRD support, several of the business networks have grown from regionally-based business and industry clusters.

The CNLBSC enhanced rural access to information through a Business Service Network, which includes 38 access sites with various economic development groups around the province.

RSDF supports initiatives focusing on regional strengths and growth sectors and aims to address any gaps preventing further development or diversification of a sector. For example, the RSDF supported infrastructure development in Red Bay to meet cruise industry standards, as well as support for further development of the marine industrial park in Marystown. RSDF also provided funding to the Town of Channel -Port aux Basques to convert a former fish processing facility into an industrial space for business attraction. The Town identified the addition of waterfront industrial space as a strategic opportunity to diversify the region's economy through the attraction of businesses in the marine transportation, oil and gas and mining sectors. This initiative is a demonstration of the RSDF playing a key role in creating an environment for business development, contributing to strong regions.

The Regional Development branch provided significant investments for the tourism sector and participates on the Provincial Government's Tourism Board which includes representatives from industry and government. With the announcement of the new tourism vision for Newfoundland and Labrador, entitled *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism*, the board is intended to be a means through which government and industry can work together to guide the province's tourism industry goals outlined in *Uncommon Potential* and to make our regions strong. INTRD also participates in a senior officials committee with the Newfoundland and Labrador Outfitters Association in order to support restructuring and rationalization of the industry.

The INTRD's outreach activities, such as the GMO and Ambassador Programs, focus on connecting and informing people all across Newfoundland and Labrador. The GMO Program presentations cover every region of the province through a comprehensive high school schedule targeting youth. The Ambassador Program distributes bi-monthly Ambassador newsletters to local, national and international subscribers featuring innovative companies, exporters and industry success stories from all regions.

Supported through the Youth Retention and Attraction Strategy, INTRD was able to provide assistance to youth for economic development and innovation enhancement. For example, youth in Harbour Breton participated in activities to build a more promising future for the Coast of Bays region.

Recognizing the value of high speed Internet access in today's social and economic environment, the Provincial Government has taken a deliberate approach over the last six years to improve the province's communications capacity. That results-driven approach has led to high speed internet access being available to 80 per cent of the population, up from 60 per cent in 2003.

The Provincial Government's financial investments have helped facilitate significant progress in broadband connectivity and led to the development of essential infrastructure that will serve as the foundation for continued advancement of the province's communications capacity. These investments have not just benefited a single region but the entire province. Newfoundlanders and Labradorians have a greater selection of communications carriers to choose from, more services, and access to modern technologies than it did prior to strategic investments being made.

The Provincial Government remains committed to stimulating connectivity in all regions. Its next steps are to work with industry to explore options that will allow it to meet government's broadband requirements and advance connectivity in all regions.

2008-2011 Goal: By 2011, INTRD will have supported regional economies to diversify and become more self-sustaining.

Annual Objective for 2009-2010: *By 2009-10, INTRD, in collaboration with the Office of the Chief Information Officer, will have initiated an advanced broadband telecommunications network for Government operations across the province.*

Measure: Initiated an advanced broadband network for government

Indicator 1: Initiated implementation of construction and management agreement

Activities:

To further advance the province's communications infrastructure, the Provincial Government issued a request for proposals to build and manage an advanced communications network. Due to anticipated project costs escalating to more than half a billion dollars, the Provincial Government cancelled the RFP in February 2010. While the Provincial Government is committed to the project, it will be re-examining its approach to improving the communications infrastructure while continuing to build on the progress that has been made over the last six years.

Indicator 2: Identified government operations to be connected

Activities:

As part of the Government Broadband Initiative process, there were approximately 1000 government locations identified, but this will be re-examined. INTRD completed a needs assessment survey of all government departments and agencies and the related data will be analyzed in 2010-11.

Annual Objective for 2010-2011: By 2010-11, INTRD, in collaboration with the key partners, will have identified and advanced priority infrastructure initiatives in support of sector priorities.

Measure: Identified and advanced economic infrastructure initiatives

Indicator 1: Undertake a SWOT analysis for positioning the province as a Northern Gateway, as part of an overall approach to the Artic including an assessment of potential infrastructure improvements

Indicator 2: Advanced a set of Provincial infrastructure priorities to the Federal Government for funding under the Atlantic Gateway Initiative.

Indicator 3: Re-examined the approach to Government Broadband Initiative and build on progress from examination.

Indicator 4: Number of infrastructure initiatives funded and the amount leveraged by the RSDF.

ACCOMPLISHMENTS

Support provided for young entrepreneurs and innovators: To further support development of today's youth, INTRD is working with our partners to provide youth with the market knowledge and practical experience needed to succeed. Central to this is support for young entrepreneurs and innovators. Supported through the youth retention and attraction strategy and innovation strategy, INTRD was able to provide assistance to stakeholders in youth economic development and innovation enhancement to:

- cooperatively promote an enterprising culture among provincial youth;
- establish financial support for young entrepreneurs as innovators;
- fill the gap between the Youth Ventures season (May to August) and extend counseling, mentoring and support services to Youth Ventures clients;
- introduce a peer-to-peer mentorship component based on the findings of FINALY's Operation Mentorship Phase I; and,
- establish a coordinating entity to collaboratively and consistently guide the economic development activities of provincial youth organizations.

Proponent	Project	Reach
Youth Ventures	Angel Business Development Program	29 youth representing various regions of the province participated in a 2-day business plan competition and expert advisory sessions in Corner Brook
Youth Ventures	"I Inspire"	22 youth ventures coordinators held a week of activities to create entrepreneurial awareness at junior and senior high schools in all regions throughout the province
FINALY!	Operation Mentorship	13 youth representing various regions of the province were trained to deliver 130 leadership workshops to 1,300 youth
Entrepreneurs Forum	Mentorship Program	Entrepreneurs collaborated with a panel of experienced business advisors during a confidential group session
Harbour Breton CYN	Harbour YES	Youth participated in activities to build a more promising future for the Coast of Bays region
St. Francis Robotics	First LEGO World Competition	10 youth from the Harbour Grace area attended the First Lego World Competition in Atlanta, Georgia
Marine Institute	MATE ROV Competition 2010	Over 200 youth participated in a competition surrounding underwater ROVs
RECESS! Media Inc.	ACE Canada National Exhibition	Two youth travelled to Calgary, Alberta to participate in the ACE Canada National Exhibition

Youth Innovation Call for Proposals

Launched in 2006, the Provincial Government's innovation strategy provides a framework for fostering a culture of innovation particularly among youth. Inspiring young people to become involved in science and technology education and projects is an integral part of creating this culture. In September 2009, INTRD released a Youth Innovation Call for Proposals. That resulted in an investment of almost $460,000 in 21 projects focused on developing a new generation of innovators and creating awareness of career options for youth in the areas of science, engineering and technology.

Through this support, broadcast technology was upgraded at Amalgamated Academy in Bay Roberts to produce student-created content throughout the school, community, and the internet. Students can now host live broadcasts, create animations and special effects. Also, the Women in Science and Engineering Newfoundland and Labrador (WISE NL) delivered a series of workshops in Labrador on career opportunities for Aboriginal women in scientific fields that allow them to work in Labrador.

2009 Export and Innovation Awards

On November 18, 2009, the Government of Newfoundland and Labrador celebrated the achievements of Newfoundland and Labrador businesses and academic communities by announcing the winners of the annual Export and Innovation Awards. The Export and Innovation Awards recognize individuals, organizations and institutions. The awards include:

Exporter of the Year - this award recognizes a local entrepreneur or business that is successfully exporting its products to international markets. This year's winner was Provincial Aerospace Ltd. – a world leader in aerospace and defense, offering fully-integrated, customized solutions for maritime surveillance operations around the globe;

Innovation in Business - this award acknowledges a company for its ability to create new opportunities through innovation. The development of data masking software that protects personal and sensitive information made Camouflage Software Inc. the 2009 award winner; and

Distinction in Innovation - this award distinguishes an individual or group that has taken a leadership role in advancing Newfoundland and Labrador's innovative culture and creating new opportunities for industry. The winner was the Fisheries and Marine Institute of Memorial University for SmartBay – the largest ocean observation project in eastern Canada and an example of industry working in partnership with the Provincial Government and academic institutions.

Southeastern United States-Canadian Provinces Alliance (SEUS//CP)

In July of 2009, the province of Newfoundland and Labrador hosted the second annual SEUS//CP Conference in St. John's. The SEUS//CP is a newly created alliance with 13 member provinces and states from eastern Canada and the southeastern US. The annual conference focuses on key areas of opportunity for businesses in the region, and in 2009, three areas of strength for the province were highlighted - energy, ocean technology and aerospace and defense. The event was successful with over 250 delegates and two formalized MOUs in the ocean technology and the aerospace and defense sectors. While the conference was successful in promoting the province and our strengths, these MOUs will help strengthen the relationships and facilitate business development in these sectors for the long term.

Regional and Rural Sectoral Investments

RSDF is intended to advance priority sectors with funds that are strategically allocated to key economic development initiatives. RSDF enables the Provincial Government to support provincial priorities and influence federal spending in support of its strategic directions. RSDF has supported the implementation of a number of interdepartmental sector and regional strategies (e.g. Northern Labrador Strategy, Poverty Reduction Strategy, and Youth Retention and Attraction Strategy). During the closure of mill in Stephenville, RSDF was used as a catalyst for numerous economic development

initiatives identified by the community. It assisted in infrastructure development and diversification, and leveraged over $6.5 million from other sources for the Bay St. George area. Similarly with the mill closure in Grand Falls-Windsor, RSDF provided funding in the amount of more than $4.4 million, leveraging another $11.8 million from sources other than the Provincial Government. RSDF plays a key role in strengthening the local economies and its surrounding communities. The program provides important resources for economic development groups as they identify key industry sectors to develop. Some of the initiatives supported by RSDF included the development of the cranberry industry, developing the health sector which is emerging as a priority sector in the central region, post-secondary development, and other opportunities as identified.

RSDF investments in various sectors:

Opportunities Management

Following the development of an Opportunities Management (OM) module for the Community Capacity Building program, INTRD has been piloting the process through the delivery of OM sessions. In 2009-10, seven sessions were funded by the program including 245 participants. OM is a decision process which uses key criteria to assess opportunities and potential initiatives. The session objectives have focused on understanding opportunity identification and its role in community economic development, describing the major steps in the opportunity identification process, understanding and applying criteria needed for opportunity identification, developing strategies to engage in opportunity identification in your community or region, identifying stakeholders to be involved in the process and determining the partners to be involved in feasibility studies and action planning.

The Newfoundland and Labrador Regional Economic Development Association has been a key partner in assisting with the development and delivery of the OM process.

INTRD delivered an OM session in Grand Falls-Windsor last year, following the announcement of the closure of the mill. The session involved more than 80 local stakeholders that included regional economic development groups, municipalities, union officials, and many others. Through the program, short- and long-term opportunities were assessed and an action plan established. Partners were quickly mobilized to advance development of key economic development initiatives such as cranberry development.

Workplace Skills Enhancement Program

Considerable research was conducted on anticipated jobs, the availability of labor, and the skills of available labor in Newfoundland and Labrador. All sectors including environmental, agriculture, technology, aerospace, manufacturing and ocean industries are experiencing or anticipating labor shortages and skills imbalances.

During business retention and expansion interviews with over 1,600 businesses, provincial employers reported increased difficulty with recruiting and retaining skilled workers. Employers have traditionally made low levels of investment in workplace training, with less than three out of 10 Canadian workers ever receiving training. These issues have a negative impact on productivity, competitiveness, and business retention and expansion.

In response, and in consultation with industry, INTRD developed and launched the new Workplace Skills Enhancement Program as part of the province's suite of programs and services under the Labor Market Agreement. This program is designed to help small and medium-sized enterprises in strategic sectors acquire or up-skill employees to enhance productivity and global competitiveness and support expansion.

Under this program, wage subsidy is available as a 50 per cent contribution, up to $20,000, to business owners to fill vacant positions; a training subsidy is available as a 75 per cent contribution up to an average of $10,000 per employee. There is no limit on the number of employees that can be funded by each arm of the program.

Business Retention and Expansion

The Business Retention and Expansion program supports INTRD's mandate of encouraging and supporting business, industry and community growth and has emphasis on proactive business engagement. In January 2010, the department implemented a new business-focused program giving priority to firms which are in strategic sectors, as identified in the Comprehensive Regional Diversification Strategy. This program involves personal interviews with business owners by trained Business Retention and Expansion professionals to identify issues to growth and survival.

The business analysis includes review of a business's marketing/sales, human resources management, operations, financing/accounting, current location and future plans. A follow-up report is prepared based on the interview results. The Business Retention and Expansion professional and business owner create, in collaboration, an action plan that provides alternative response to identified issues and prioritizes any red flag issues and a reasonable number of yellow flag concerns. Action items are matched to any available resources, programs or services and coordinated support is encouraged from development partners. This approach will encourage long-term business aftercare and relationship building. Macro-level Business Retention and Expansion support is available to inform planning processes of community partners, such as REDB's, industry associations, municipalities, and chambers of commerce.

This past year a total of 47 businesses were interviewed. A review of all program materials and processes was conducted, ensuring the program provides a current and relevant service to business clients throughout the province. Nineteen information sessions were also held for local resource network partners (i.e. INTRD Divisional staff, ACOA, REDBs, Community Business Development Corporations, Municipalities, Chamber of Commerce, etc.)

Exploration of New Markets to Advance Ocean Technology Sector

Ocean technology activities in 2009-10 have been aggressive and successful in increasing activities in various markets. Some of the key markets explored for businesses include:

New England - INTRD has been extremely active in promoting ocean technology relationships with New England for the past number of years. INTRD has a dedicated ocean technology consultant based in Cape Cod, Massachusetts to promote these linkages. A number of local companies and organizations remain active in the New England area and INTRD has led a delegation to Rhode Island in May 2010. In 2009, during the strategy launch, INTRD helped host an incoming mission from the prestigious research organization, Woods Hole Oceanographic Institution (WHOI) in Woods Hole, Massachusetts. Subsequent to this visit, WHOI signed a Memorandum of Understanding with Memorial University of Newfoundland and its Marine Institute to cooperate on ocean technology issues.

San Diego - San Diego's ocean technology cluster organization, the Maritime Alliance, has an MOU with OceansAdvance and the two groups have been collaborating closely over the past number of years. San Diego is the primary base for the US Pacific Navy and is an international leader in ocean technology, wireless communications and life sciences. INTRD helped support a large trade mission to San Diego in April 2008 and based on positive feedback from both private and public participants, a return visit was held in November 2009 to coincide with San Diego's Maritime Week. During this week of activities, the Mayor of San Diego presented OceansAdvance with the International Maritime Partner Award during the Maritime Week Gala Dinner.

Ireland - INTRD, through Ireland Business Partnerships, continues to work with Ireland on ocean technology projects. The Marine Institute of Memorial University has been particularly active in Ireland and has recently begun working with the Cork Institute of Technology, the National Maritime College of Ireland, and the University of Limerick (with whom a MOU was signed in December 2009), among others.

Japan - INTRD has a US-based ocean technology consultant who organized the visit of a representative from the TOYO Corporation, a Japanese technology firm interested in marketing local technology to buyers in Japan. TOYO sells ocean technology to such organizations as the Japan Coast Guard, Japan Self-Defense Forces, the University of Tokyo, the Japan Agency for Marine-Earth Science and Technology, the Japan Oil, Gas and Metals National Corporation and the Geological Survey of Japan. The visit was well received and the representative had meetings with a number of local companies and organizations. Since the visit, TOYO has followed-up with at least four Newfoundland and Labrador companies and discussions are ongoing.

Spain - In the fall of 2009, INTRD assisted the Department of Foreign Affairs and International Trade and the Department of Fisheries and Oceans with a large delegation of ocean researchers from Spain. The Spanish delegation was in the early stages of designing several large observation-related projects and was interested in learning from Newfoundland and Labrador's experience.

Atlanta, Georgia - INTRD also focused on the Life Sciences sector in 2009-10 to increase business trade and export. The annual BIO International Convention was held in Atlanta, Georgia during May 16-22, 2009. This is the largest global event for the biotechnology industry and attracts the biggest names in biotech, offers key networking and partnering opportunities, and provides insights and inspiration on the major trends affecting the industry. INTRD participated in this event through the IBDA.

Southeastern United States - The department was the lead organizer for the SEUS//CP Alliance conference in July 2009. The event resulted in the signing of an MOU between the Atlantic Alliance of Aerospace and Defense Associations and the Warner Robins Area Chamber of Commerce Aerospace Industry Committee in Georgia, to increase business promotion, trade and export by INTRD.

Atlantic Canada House - During the 2010 Winter Olympics in Vancouver, British Columbia, the Government of Canada and the four Atlantic provinces teamed up to showcase examples of innovation and leadership in four leading industries in which Atlantic Canadians have a proven track record: aquaculture, life sciences, alternative energy and ocean sciences.

During the event, an Atlantic Canada House was set up with an Atlantic Innovation Area opened daily from February 13-28, 2010. INTRD was actively involved in ensuring the Atlantic Innovation Area was well represented and promoted by Newfoundland and Labrador.

CHALLENGES AND OPPORTUNITIES

Across the globe, the downturn in the economy impacted a wide range of industries. Small businesses in Newfoundland and Labrador, particularly in the advanced technology sector, faced challenges getting their products to market due to the difficulty of securing necessary venture capital and equity. As a Provincial Government, the opportunities exist to step-in and help offset some of these gaps with its broad scope of business development programs.

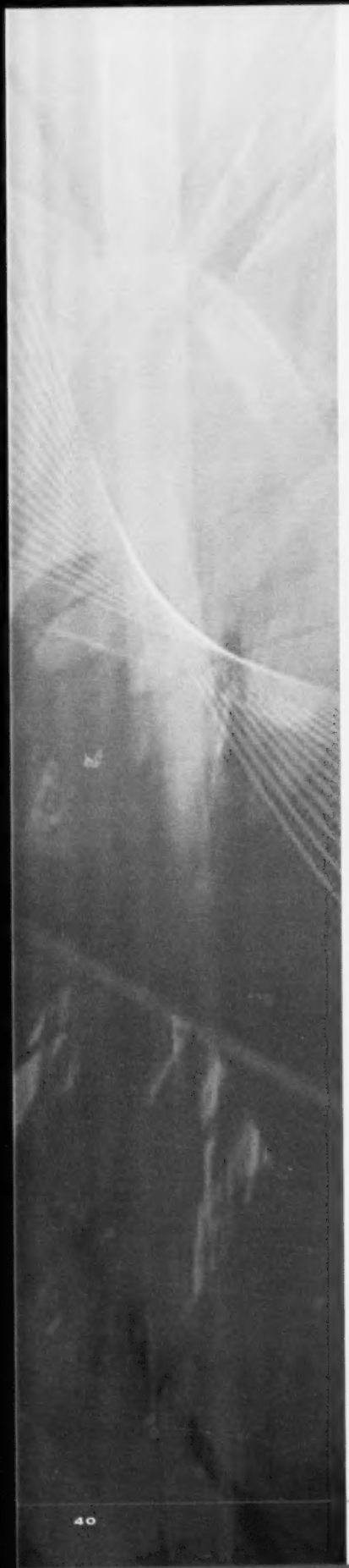
The lack of skilled workers in the province has been detrimental to economic development as well. Similar to other jurisdictions across Canada and North America, Newfoundland and Labrador faces the challenge of accessing skilled workers. In 2009, Newfoundland and Labrador experienced a drop in employment by 2.5 per cent and an increase in the unemployment rate to 15.5 per cent, in part as a result of a disconnect between the skills of the provincial workforce and labour needs among key industries.

In the province's central region, a paper mill that operated for nearly 100 years, closed. Other major employers in the forestry, mining and fishing industries watched markets becoming smaller and prices falling as the Canadian dollar rose. However, there are signs that the forward momentum will pick up as experts have positioned the province to be among the leaders of GDP growth this year.

Integrated supply chains with nodes around the world are increasingly the norm. Businesses, as a result, do not only have to compete locally, regionally, and nationally but globally to maintain their position. Companies are challenged to learn how these supply chains work, including the way transportation services and systems are utilized within them which are critical to companies' success, and can also affect provincial transportation infrastructure investment decisions.

INTRD is actively employing programs to help build capacity in the province. In particular, the department is working to strengthen the provincial workforce and combat the effects of declining populations through targeted youth engagement and retention initiatives. There are a variety of programs that help link the province's youth with the vast opportunities that exist.

In addition, the Government Broadband Initiative is continuing, as the Provincial Government recognizes its importance for both economic and social policy. The department is working towards achieving the provincial government's objective of improving connectivity in all regions, within the province.



Despite the economic downturn, this province's personal income grew by 3.9 per cent with increases in the minimum wage and general wage gains. Retail sales also expanded by 2.6 per cent to $7.2 billion - the largest retail sales growth among Canadian provinces in 2009.

The recent Canadian Free Trade Agreements, with countries such as Peru and Columbia, and the Agreement on Government Procurement with the United States, opened doors for Newfoundland and Labrador companies. In addition, ongoing Canada-EU negotiations have the potential to better conditions for local firms selling or pursuing opportunities in EU countries, and even other parts of Europe. Similarly, there are many opportunities for strategic industries, to expand into untapped markets at home and abroad.

Newfoundland and Labrador's innovative companies, in cooperation with Memorial University, are developing leading-edge technologies in unmanned marine, land and aerial systems like the RAVEN - Remote Aerial Vehicle for Environmental Monitoring.

There is a significant potential for growth in maritime surveillance and security. Since 2001, through cross boarder initiatives, both the Unites States and Canada have devoted considerable resources to port security and offshore surveillance. Local companies and institutions continue to develop new products and technologies to expand into this area. As well, the issue of Arctic Sovereignty and the development of a Northern Gateway concept, as part of the Federal Government's overarching Atlantic Gateway strategy, will provide further opportunity in maritime surveillance.

The province is working with industry to prepare companies for the emerging green economy. Through the renewal of the innovation strategy, INTRD will work to grow the provincial environmental industry. While at the same time, significant strides continue to be made in the ocean technology sector. The release of the province's five-year, $28 million ocean technology strategy in 2009, is helping local companies to capitalize on Newfoundland and Labrador's natural strengths and cement the province's position as a leader within the industry.

INTRD is assisting companies in cluster development to increase their level of local expertise. It provides these companies a greater depth to their supply chain and also provides the ability to draw together complementary skills to bid for large contracts that individually they would be unable to successfully compete.

Strategic industries, such as advanced manufacturing are making efforts to increase capacity and efficiency. The manufacturing sector intends to enhance the productivity and efficiency of individual companies through the utilization of continuous improvement programming and the delivery of consistent client service to develop capacity and sustainability. Recognizing that growth opportunities emerge through the promotion of goods and services, the agrifoods sector is promoting and branding the Newfoundland product's quality and uniqueness.

The CNLBSC intends to continue serving the clients by delivering on various topics such as financing, business law and intellectual property. It uses outreach and network development to identify client information needs and potential enhancements to services to address gaps. Furthermore, it continue to review and assess new products on an ongoing basis and utilize technology tools to deliver services in new ways and allow implementation of networking and communications tools to better deliver services.

INTRD is taking full advantage of these opportunities for economic growth. Through its suite of strategic economic development programs, an ongoing dialogue with leaders in industry, business, academia, and the not-for-profit sector, and a one-on-one client counseling approach to business and community development, INTRD is poised to facilitate new growth across a wide range of industries in coming year as the economy rebounds.

APPENDIX A

APPENDIX A:

INTRD Expenditures by Main Allocation

Line Item	Source of Expenditure	Original Estimate ($)	Amended Estimate ($)	Actual ($) (Unaudited)
1.1.01	Minister's Office	353,000	365,400	309,204
1.2.01	Executive Support	1,037,000	1,089,800	1,079,873
1.2.02	Administrative Support	824,900	853,400	662,969
1.2.03	Policy and Strategic Planning	576,500	576,500	453,696
1.2.04	Strategic Initiatives	1,070,000	1,070,000	806,615
1.2.05	Strategic Human Resources (Management)	1,541,500	1,542,200	1,369,142
1.2.06	Administrative Support – Capital	20,000	22,300	22,283
2.1.01	Export and Investment Promotion (Less Revenue)	4,077,200 (500,000)	4,158,200 (500,000)	3,112,178 (116,207)
3.1.01	Business Analysis (Less Revenue)	3,969,700 ———	3,969,700 ———	2,850,295 (100,425)
3.1.02	Investment Portfolio Management	726,800	726,800	570,943
3.1.03	Canada/Newfoundland and Labrador Business Service Network	460,200	462,200	388,540
3.1.04	Enterprise Outreach and Marketing	1,255,400	1,221,400	855,238
3.1.05	Strategic Enterprise Development Fund	1,000,000	2,000,000	2,000,000
3.2.01	Strategic Industries Development (Less Revenue)	1,471,100 ———	1,424,100 ———	1,189,155 (1,850)
4.1.01	Regional Economic Development Services	2,740,900	52,692,900	45,705,157
4.2.01	Business and Economic Development Services	5,262,400	4,991,200	4,691,526
4.3.01	Comprehensive Economic Development (Less Revenue)	16,800,000 (3,500,000)	15,800,000 (3,500,000)	10,069,562 (3,000,000)
5.1.01	Advanced Technologies & Industrial Research	6,064,100	6,284,600	4,119,899
5.1.02	Commercialization Initiatives	3,197,100	3,197,100	2,160,889
5.1.03	Trans-Gulf Initiative	———	———	———
5.1.04	Ocean Technology Initiatives	1,000,000	1,000,000	———
	Gross Budget	53,447,800	103,447,800	82,417,162
	Related Revenue	(4,000,000)	(4,000,000)	(3,218,482)
	Net Budget	49,447,800	99,447,800	79,198,680

Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2010. The Department was provided supplementary funding of $50Million during fiscal 2009-10 for the purpose of providing severance payments to employees of the former Abitibi Mill in Grand Falls-Windsor. This is reflected in the increase from the original budget amount to the amended budget amount. As a result of this supplementary funding, the Department incurred related expenditures resulting in actual expenditures exceeding the original budget by approximately $30Million.

APPENDIX B:

Contact Information

General Inquiries

Department of Innovation, Trade and Rural Development
P.O. Box 8700, Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6
Toll Free: 1-800-563-2299
Telephone: 709-729-7000
Fax: 709-729-0654
E-mail: INTRDinfo@gov.nl.ca

Corporate Office- St. John's	
Reception	729-7000
Minister's Office	729-4728
Corporate Office-Marystown	
Reception	279-0204

Labrador Region	
Charlottetown	949-0378
Forteau	931-2908
Happy Valley-Goose Bay	896-2400
Labrador City	944-4046
Postville	896-2400

Western Region	
Corner Brook	637-2976
Deer Lake	635-2613
Port aux Basques	695-9871/9872
Port Saunders	861-3004/3096
St. Anthony	454-3521/3508
Stephenville	643-2600/1228

Central Region	
Baie Verte	532-4772
Gander	256-1480
Grand Falls-Windsor	292-4450/4451
St. Alban's	538-3476/3796
Springdale	673-3481

Eastern Region	
Clarenville	466-4170
Marystown	279-5533/5531

Avalon Region	
Carbonear	596-4109/4116
Ferryland	432-3019
Placentia	227-1350
St. John's	729-7017

For more information about the Department, visit: www.gov.nl.ca/intrd/publication.htm

Other Department Sites

The Ambassador: www.theambassador.ca
Canada / Newfoundland and Labrador Business Service Centre: www.canadabusiness.gc.ca./nl
Capacity Building: www.cedresources.ca
Crafts of Character: www.craftsofcharacter.com
Getting the Message Out: www.gmo.nl.ca
Ireland Business Partnerships: www.ibp.nl.ca

APPENDIX B

APPENDIX C

APPENDIX C: ACRONYMS

A

ACOA - Atlantic Canada Opportunities Agency

B

BIC - Business Investment Corporation
BMD -Business and Marketing Development Program

C

CIDP - Craft Industry Development Program
CNLBSC - Canada/NL Business Services Centre and Network

E

EDGE - Economic Diversification & Growth Enterprises

F

FINALY! - Futures in Newfoundland and Labrador's Youth

G

GBI - Government's Broadband Initiative
GMO - Getting the Message Out

I

IBDA - International Business Development Agreement
IBP - Ireland Business Partnerships
IN Exchange - Ireland-Newfoundland Exchange
INTRD - Department of Innovation, Trade and Rural Development
IP - Intellectual Property
ITAP - International Trade Assistance Program

M

MAC - Manufacturing Advisory Council for Newfoundland and Labrador
MOUs - Memoranda of Understanding

N

NATI - Newfoundland and Labrador Association of Technology Industries
NEIA - Newfoundland and Labrador Environmental Industry Association
NLBC - Newfoundland and Labrador Business Coalition
NLFC - Newfoundland and Labrador Federation of Co-operatives
NLREDA - Newfoundland and Labrador Regional Economic Development Association
NOEL/MSL - Newfoundland Ocean Enterprise Limited/ Marystown Shipyard Limited

O

OM - Opportunities Management

P

PMC - Precious Metal Clay

R

RAVEN - Remote Aerial Vehicle for Environmental Monitoring
REDB's - Regional Economic Development Boards
RFP - Request For Proposals
RSDF - Regional/Sectoral Diversification Fund

S

SEUS-CP - South Eastern United States-Canadian Provinces Alliances
SME - Small and Medium-sized Enterprise

W

WHOI - Woods Hole Oceanographic Institution
WISE NL - Women in Science and Engineering Newfoundland and Labrador

Websites

For more information about the Department,
its Strategic Plan and programs and services, visit:
www.gov.nl.ca/intrd

Other Department Sites

The Ambassador
www.theambassador.ca

Canada / Newfoundland and Labrador Business Service Centre
www.canadabusiness.ca

Capacity Building
www.cedresources.ca

Crafts of Character
www.craftsofcharacter.com

Getting the Message Out
www.gmo.nl.ca

Ireland Business Partnerships
www.ibp.nl.ca

Newfoundland
Labrador